GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:181
ANSWERED ON:11.12.2015
Wilful Defaulters
P. Shri Nagarajan

Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks (PSBs) have prepared any list of wilful loan defaulters for more than 25 lakhs and above and if so, the number of defaulters and the outstanding loan against them during each of the last three years and current year, bank-wise;
(b) the number of cases where criminal proceedings initiated against the defaulters;
(c) whether the connivance of bank officials have also been reported in such bad loan and if so, the details thereof; and
(d) the steps taken/being taken by the Government/RBI to recover outstanding loans from wilful defaulters?

Answer

FINANCE MINISTER

(a) to (d): A Statement is laid on the Table of the House.

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STATEMENT AS REFERRED TO IN REPLY TO PARAs (A) TO (D) OF LOK SABHA STARRED QUESTION NO. *181 FOR ANSWER ON 11th DECEMBER, 2015 REGARDING WILFUL DEFAULTERS BY SHRI P. NAGARAJAN.

(a) to (c): The details of willful defaulters in case of loans for Rs.25 lakh and above including outstanding amount and number of cases in which FIRs have been filed, have been compiled in the annexed table based on inputs given by Public Sector Banks for the last three years and current year as on 30th September 2015. The number of cases where connivance of bank officials have been reported as on 30.09.2015 is also included.

(d): Reserve Bank of India (RBI) has issued guidelines (July 1, 2015, available on RBI's website) on willful defaulters to dis-incentivize borrowers who have money and do not pay or have diverted the funds or siphoned off funds or removed assets given as security, indicting action that includes; (i) restricting additional facilities to such defaulters from banks and financial institutions, (ii) barring of such borrowers from institutional finance, (iii) criminal action, (iv) removal of directors of such companies from boards and (v) change in management.
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